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Arizona Corporation Commission

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A Professional Corporation  
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Attorneys for Northern Sunrise Water Company  
and Southern Sunrise Water Company

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
NORTHERN SUNRISE WATER COMPANY FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER UTILITY  
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF  
SOUTHERN SUNRISE WATER COMPANY FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER UTILITY  
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

IN THE MATTER OF THE JOINT APPLICATION  
OF NORTHERN SUNRISE WATER COMPANY  
AND SOUTHERN SUNRISE WATER COMPANY  
FOR THE APPROVAL OF SALE AND TRANSFER  
OF WATER UTILITY ASSETS, AND  
CANCELLATION OF CERTIFICATES OF  
CONVENIENCE AND NECESSITY, FOR  
MIRACLE VALLEY WATER COMPANY,  
COCHISE WATER COMPANY, HORSESHOE  
RANCH WATER COMPANY, CRYSTAL WATER  
COMPANY, MUSTANG WATER COMPANY,  
CORONADO ESTATES WATER COMPANY, AND  
SIERRA SUNSET WATER COMPANY, LOCATED  
IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251  
W-20454A-06-0251  
W-01646A-06-0251  
W-01868A-06-0251  
W-02235A-06-0251  
W-02316A-06-0251  
W-02230A-06-0251  
W-01629A-06-0251  
W-02240A-06-0251

**NOTICE OF COMPLIANCE WITH  
DECISION NO. 70955**

**[Borderline Agreement with East  
Slope Water Company]**

Pursuant to Decision No. 70955 (April 7, 2009) ("Order"), Southern Sunrise Water Company ("SSWC") hereby files this Notice of Compliance in the above-captioned docket. The Order requires SSWC to contact East Slope Water Company and use its best

1 efforts to negotiate a borderline agreement and file a copy with the Commission for  
2 review and approval.

3 On August 12, 2009 SSWC filed a Motion for Extension of Time to Comply with  
4 Decision No. 70955, requesting that the Commission extend the compliance deadline to  
5 November 7, 2009. In the Staff Report, dated September 28, 2009 and filed on  
6 October 12, 2009, Staff stated that they had no objection to SSWC's request.

7 SSWC has successfully negotiated a borderline agreement with East Slope Water  
8 Company, and hereby submits the agreement for Commission review and approval. See  
9 Exhibit 1 attached hereto.

10 RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of October, 2009.

11 FENNEMORE CRAIG, P.C.

12  
13 By: 

14 Jay L. Shapiro  
15 Patrick J. Black

16 Attorneys for Northern Sunrise Water Company  
and Southern Sunrise Water Company

17 **ORIGINAL and 17 copies filed**

18 This 16<sup>th</sup> day of October, 2009 with:

19 Docket Control  
20 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

21 **Copy sent via Electronic and/or U.S. mail**  
22 this 16<sup>th</sup> day of October, 2009 to:

23 Jane L. Rodda, ALJ  
24 Hearing Division  
25 Arizona Corporation Commission  
400 West Congress Street  
Tucson, Arizona 85701

1 **Copy hand-delivered**  
this 16<sup>th</sup> day of October, 2009 to:

2 Kevin Torrey  
3 Legal Division  
4 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

5 Marlin Scott, Jr.  
6 Utilities Division  
7 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

8 **Copy sent via U.S. mail this** 16<sup>th</sup>  
9 day of October, 2009 to:

10 Steven Cockrum  
5328 Corral Drive  
11 Hereford, Arizona 85635

12 Sharron L. Arcand  
Raymond E. Baltrus  
13 5906 South Kino Road  
Hereford, Arizona 85615-8901

14 Charlotte L. Borghardt  
15 Paul Goetz  
P.O. Box 1126  
16 Sierra Vista, Arizona 85636

17 David Lease  
Jennifer Lease  
18 6356 South Kino Road  
Hereford, Arizona 85615

19 Jeffrey & Marlene McDaniel  
20 7023 South Calle De La Mango  
Hereford, Arizona 85615

21  
22  
23 By: *main sanjre*  
24 2246438/20913.003

# **EXHIBIT**

# **1**

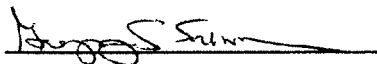
Borderline Agreement  
Between  
East Slope Water Company and Southern Sunrise Water Company

Whereas: Southern Sunrise Water Company ("SSWC") can serve customers within the Mountainside subdivision, a recorded plat in Cochise County, which is west of Calle de la Rosa, the border between the CC&Ns of SSWC and East Slope Water Company ("ESWC"). Mountainside is within the CC&N of ESWC. This agreement is made to allow SSWC to serve this area like its predecessor Cochise Water Company, and to protect the interest of ESWC in their CC&N which includes the Mountainside subdivision.



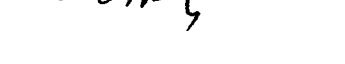
1. This Agreement renews annually unless conditions in section 3 below are met.
2. SSWC owns the infrastructure used to serve customers within the Mountainside subdivision. SSWC will continue to maintain the infrastructure at no cost to ESWC. Future lines and meters installed, if any, will be at the expense of SSWC. ESWC will incur no liability in the area and SSWC shall hold harmless from all claims, including Court costs and attorney fees, ESWC from the operation of SSWC.
3. If ESWC extends lines to serve those customers in Mountainside, the installed infrastructure that meets current standards for water delivery will be sold to ESWC at depreciated value. For purposes of this Agreement, the original value of the infrastructure installed in 1998 is \$61,112 (see attached). Any additional infrastructure installed after the date of this Agreement shall have the value of the cost of such addition, which will be supported by invoices at the time of sale from SSWC to ESWC as prescribed under this Agreement.
4. In the event ESWC is unwilling or unable to provide adequate water service within 7 years from the date of this Borderline Agreement, ESWC will support SSWC (or its successors in interest) in SSWC's application, when and if made, to the ACC to transfer the portion of ESWC's in which the subject customer properties are located.
5. SSWC will use its tariff to bill the customers served under this Agreement.

Dated this 25<sup>th</sup> day of September, 2009

Southern Sunrise Water Company  
dba LIBERTY WATER

  
By: Gregory S. Sorenson  
Its Director of Operations

East Slope Water Company

  
By:   
Its 

**Infrastructure in place on Mountainside Dr.**

<u>Material</u>	<u>Quantity</u>	<u>Cost/unit</u>	<u>Total cost</u>
4" PVC Main	1,688	\$25.00	\$42,200.00
4" Gate Valve	1	\$355.00	\$355.00
2" Ball Valves	2	\$65.00	\$130.00
2" Blow Off Valve	1	\$148.00	\$148.00
Single Service	3	\$1,765.00	\$5,295.00
Double Service	6	\$1,765.00	\$10,590.00
3/4" PVC Ball Valve	8	\$8.00	\$64.00
3/4" Curb Stop	7	\$28.55	\$199.85
Water Meter	14	\$120.00	\$1,680.00
Meter Boxes	15	\$30.00	\$450.00
		<u>Total Cost</u>	\$61,111.85